C5150-2

DRUG STORE NEWS

SECOND CLASS

Vol. 12/No. 21 **Our 62nd year of serving chains, wholesalers and high-volume independents** Published by Lebhar-Friedman Inc. Nov. 19, 1990

Merck Sharp & Dohme • Chattem • Barr Labs • Vi-Jon • M&M/Mars • Duracell • Soft Sheen • Max Factor • Noxell • Gillette • L'Oréal • Slim Fast Foods • Eveready Battery • Coty • Pope & Talbot • Clorox • Amfac Health Care • Eastman Kodak • Kerr Drug Stores • Pay Less Drug Stores • Phar-Mor • Joe Pingue •

NEWS IN BRIEF

Drug Emporium buys St. Louis franchise rights

ST LOUIS — Drug Emporium has repurchased the franchise rights for the St. Louis area from Alpha Drugs, Inc., which since the mid-1980s has operated four stores in the city and suburbs.

It advances a strategy of buying certain franchises and follows franchise buyouts in Minneapolis, Indianoplis, Augusta, Ga., and Charleston and Columbia, S.C.

Indicating that under corporate ownership the St. Louis stores will continue to do business as before, ceo Gary Wilber pointed out that corporate-owned stores will receive the company's major emphasis as the key to growth in today's competitive environment. "Nearly all" of the stores planned for opening in the early 1990s will be company-owned, Wilber said.

Wal-Mart buys Wholesale Club

BENTONVILLE, Ark. — Wal-Mart has signed a definitive agreement to buy The Wholesale Club chain for an estimated $163.8 million in cash and Wal-Mart common stock. The pact reaffirms Wal-Mart's commitment to this format, which it has stressed by operating 141 Sam's Wholesale Clubs.

The 27 Wholesale Clubs in six Midwestern states will probably be converted to the Sam's name, since Wal-Mart has said the clubs will not be operated as a separate division, Thomas Geisse, senior vp-marketing at The Wholesale Club, told *Drug Store News*.

FoxMeyer sells computer subsidiary

ARLINGTON, Texas — FoxMeyer Corp. has sold its Fox Computers subsidiary to Reynadyne Corp., an investor group headed by Daniel G. Williams. Fox Computers has relocated here, and changed its name to Reynadyne Data Systems, Inc.

Nichols financing in effect

NEW YORK — S.E. Nichols, operating as debtor-in-possession, said all technical requirements have been fulfilled relating to its DIP-secured financing facility for up to $10 million with Sterling National Bank & Trust Co. of New York. The financing is in effect, the company stated. S.E. Nichols operates 19 deep-discount super drug stores under the name Pharmhouse.

Child IDs mark Happy Harry's openings

NEWARK, Del. — Happy Harry's offered its award-winning Child ID Program as part of the grand-opening festivities in November of two new stores, in Pike Creek Valley and Hockessin, respectively.

As part of the Child ID Program, which won a 1989 Gold Link award from NACDS and *Family Circle* magazine for community service, each child is weighed, measured, fingerprinted and photographed. A laminated identification card containing this information is then given to parents to carry, so they can provide authorities with vital information quickly, should their child ever disappear.

IN THIS ISSUE

Feature

Retail Excellence Awards . . . 13

Trends

Stationery 31, 33

Beauty Trends

Beauty Beat 34
Category in Motion 35

Inside Pharmacy

Impaired pharmacists IP1
Rx'ers take to the skies IP1
Cohen's Capsules IP3
Statewire IP6
Drug Watch IP9
Technology Today IP15
Laxative planogram IP25
Rx/OTC Product Updates IP32
You Be the Judge IP32
C.E. lesson IP35–IP38

Departments

Opinion
In the Market 4
The Human Side 4
People in the News 10
Technology Update 13
Supplier News 13
Product Updates 33
Finance 38

A.L. Price's new prototype caps chain's repositioning

By James Frederick

MADISON HEIGHTS, Mich. — Six months after a change of ownership and management, A.L. Price has unveiled a new prototype store, a new ad campaign and a revamped approach to marketing and merchandising.

The 14-store deep-discount chain soft-opened in early November in this densely populated suburb north of Detroit, luring consumers with steep discounts and a densely merchandised, 24,000-square-foot arena. Designed by new A. L.

See **A.L. Price,** *page 37*

A.L. Price builds shopper confidence in its everyday low prices with cut-case displays and consistent brand value.

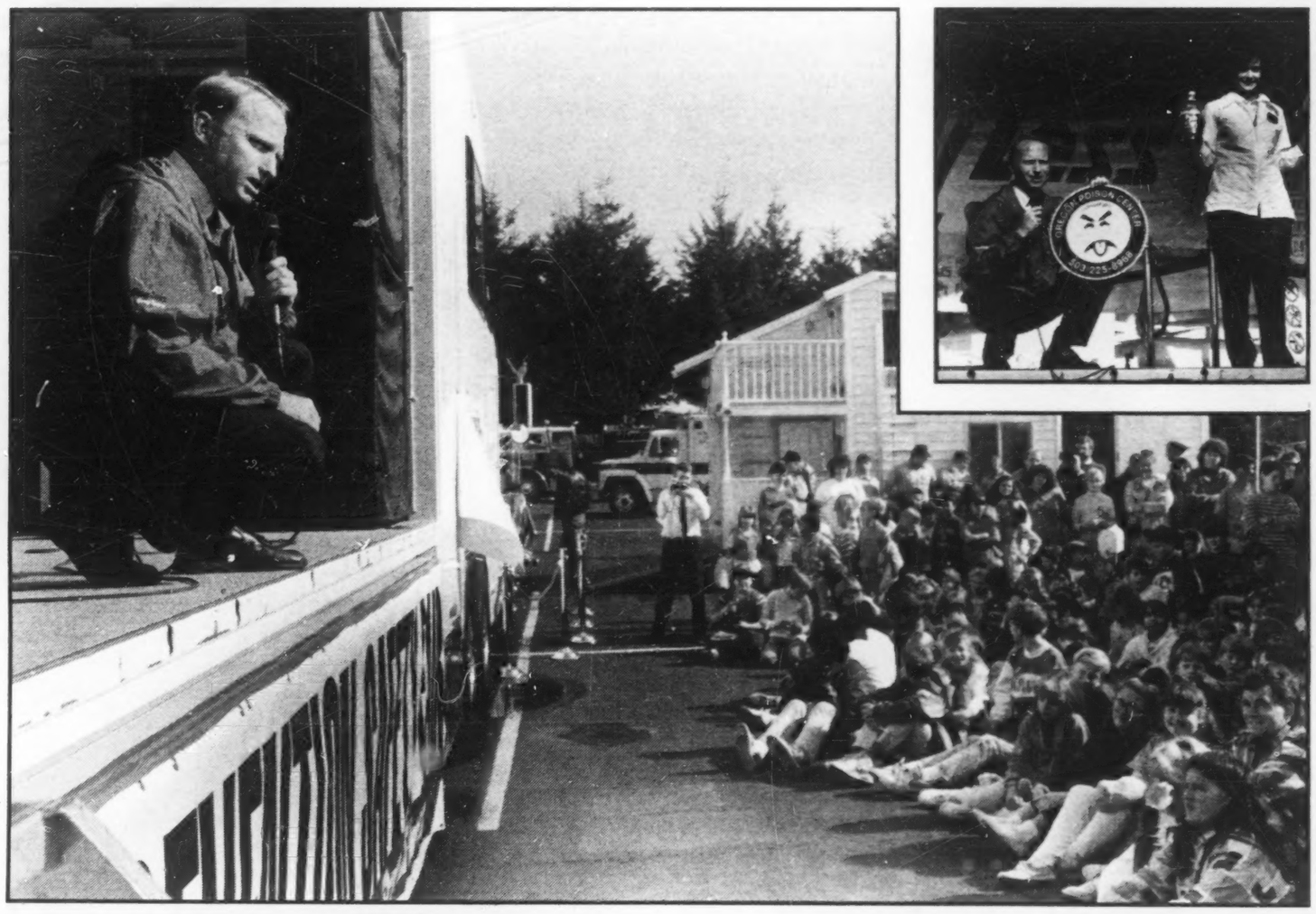
American Drug overhaul over

OAK BROOK, Ill. — After a year of turmoil in the executive offices, American Drug Stores has essentially completed a sweeping overhaul of its top management team. The overhaul includes the creation of new positions and the recent promotions and reassignments of several executives.

Following the appointment last March of Dave Maher to replace Dick Scott as chairman and chief executive, the biggest single management change has been the creation of new top management posts for both the Osco and Sav-on divisions. Two veteran regional vice presidents have been elevated to the executive vp level and put in charge of the two store divisions, reporting directly to Maher.

Named executive vp and chief operations officer of Osco is Steve Mannschreck, who last served as vp-operations of the key Chicagoland region. His counterpart as executive vp and chief operations officer at Sav-on on the West Coast is Richard Davis, formerly vp in charge of the Eastern region. Their appointments mark the

See **American,** *page 37*



Pay Less holds crime prevention, safety fair

Jerry Moss of Pay Less speaks to some of the 1,300 Oregon schoolchildren who attended the drug chain's Crime Prevention & Safety Fair at Pay Less headquarters. Among highlights was a simulated rescue from an auto wreck, using the Jaws of Life, and appearances by officers of a county SWAT team, river patrol, traffic unit and dive team. *Inset:* Pay Less's Moss holds "Mr. Yuk" sign while he and colleague Peggy Privratsky demonstrate home poison prevention measures. Held before Halloween, the fair also provided safety information for the holiday.

New Mexico stores proved too remote: Thrifty

LOS ANGELES — Thrifty Corp. decided to vacate New Mexico because it was too costly to continue trucking from distribution centers in California, vp Chris Bement told *Drug Store News*. The drug chain closed 11 stores, but offered management and pharmacy employees other jobs in California, he said.

He attributed Thrifty's closing of five stores in Tucson, Ariz., to an economic slump in that market. Thrifty also closed seven stores around Phoenix due to duplication of market areas, Bement said. Yet, the chain feels the Arizona market is still profitable enough to support its other 23 stores in the state, so no other closings are planned, he said. In addition, the company has opened 27 stores in California over the course of the current fiscal year, which ends December 1.

OPINION

Company success always on the line

IN THE MARKET
BRUCE BUCKLEY

Fall is a good time for me: I like the colors, the smell of wood smoke and, perhaps most of all, football. But football gets boring sometimes. Then, even the spectacular pass or the slashing run seem to blend with all the others witnessed over the years. When that mood settles in, I should turn off the set and go out for a walk. But I don't, couch potato that I am in the fall. I watch the line play.

Try it sometime. It's not easy. The ball draws the eye like a magnet. But hold your focus on the line, and you'll see where the game outcome is really decided. Strength, speed and agility are important, but gut determination and pride are what count in the end.

If there's a parallel for retailing here it's that winning depends not so much on the top execs—the quarterbacks, etc.—as on the unsung people in the stores, headquarters and distribution centers. Competing effectively depends on the accumulation of all the dozens of little things they do every day, most of which go unnoticed by their bosses.

Then why do they do it? Well, a cynic would say money and job security. But that's bull. Mostly it's pride and involvement—that special feeling of making a difference, even in a small way, in a successful enterprise.

The parallel between line play on the football field and line play in the retail drug industry is particularly apt for this current issue, which reveals the winners of the 1990 *Drug Store News* REX Awards. It is six years since we presented our first awards for retail excellence in the crowded ballroom of the Omni Park Central Hotel in New York.

From the winner of that first REX chain award—Walgreens—to the 1990 chain honorees, Phar-Mor and Kerr Drug, the not-so-secret success ingredient has been the largely invisible people on the line.

So, in this column, rather than laud Banks and Johnny Kerr or Mickey Monus for their companies' well-deserved awards. . . I'd like to toast their players in the trenches. And if it doesn't sound too much like a beer commercial, here's to them.

* * *

Once again I invite you to use the services of *Drug Store News JOBFAX*. This free, confidential employment exchange is designed to bring together executives looking for positions with potential employers in the industry. So if you're out in the cold because of consolidation or retrenchment and are trying to line up new opportunities, drop us a line.

We need a 30- to 35-word ad highlighting your experience, strengths and needs. We'll supply the blind box number and send out your ad along with others in our next edition of *Drug Store News JOBFAX*.

Write: *Drug Store News JOBFAX*, Confidential Box 100, 425 Park Ave., New York, N. Y. 10022, or give me a call at (212) 371-9400, x 267.

On the home front, Genovese cares

THE HUMAN SIDE
AL HELLER

George Bush spent this election season draped in the patriotic aura of soldiers overseas as he campaigned for his party's candidates.

Leonard Genovese, chairman of 94-store Genovese Drug, spent the same time conceiving a program that would supply our military in Saudi Arabia with essential health aids: sun screen, lip balm, vitamins, insect repellent, mouthwash and other items suggested by American Red Cross.

"The more we heard on the news [about the troop buildup], the more concerned we got," advertising manager Jeanine Higgins told me. "We knew we needed to do something."

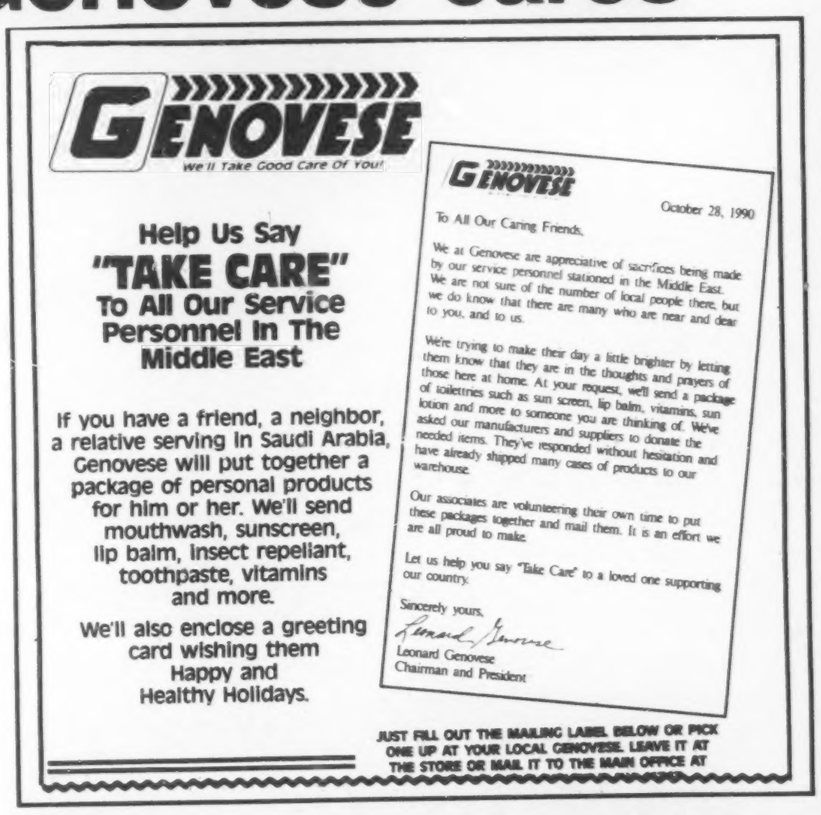
Genovese sought ideas at a regular weekly staff meeting in October, reached a consensus and appointed Higgins, who is also liaison with the Marine Corps' Toys For Tots program, to head the effort.

The chain enlisted 20 manufacturers to donate product that it will send to nearly 2,000 service personnel by Thanksgiving. "Most sent new merchandise, others said to credit inventory. Some items are full size, others are trial size. Each service person will get a variety package of about 10 items," Higgins said.

Genovese ran full-page ads in late-October issues of *Newsday* and *The New York Times*, plus local radio commercials, urging consumers to drop off completed mailing labels (which were part of the ads) at collection boxes in the stores, or to mail them to the corporate office.

"More than 500 names were referred within a week of the ads' appearance, some with letters that would bring tears to your eyes," said Higgins. "If we get more than 2,000, we'll go back to the manufacturers for more." Donors include: Bristol-Myers, Chesebrough-Pond's, Church & Dwight, Dennison, Dentax, General Foods, Gibson Greeting Cards, Gillette, Gould, Helene Curtis, Kimberly-Clark, Lever Bros., Neutrogena, Performance Labs, Pfizer Oral Care, Planter's, S. C. Johnson, 3M, T/I Pharmaceuticals and Richardson-Vicks, USA.

The packing will be staged at corporate offices. Although store-level workers and customers have volunteered to help, about 35 to 40 headquarters staffers will pack.


GENOVESE
We'll Take Good Care Of You!

Help Us Say
"TAKE CARE"
To All Our Service Personnel In The Middle East

If you have a friend, a neighbor, a relative serving in Saudi Arabia, Genovese will put together a package of personal products for him or her. We'll send mouthwash, sunscreen, lip balm, insect repellant, toothpaste, vitamins and more.

We'll also enclose a greeting card wishing them Happy and Healthy Holidays.

GENOVESE

October 28, 1990

To All Our Caring Friends,

We at Genovese are appreciative of sacrifices being made by our service personnel stationed in the Middle East. We are not sure of the number of local people there, but we do know that there are many who are near and dear to you, and to us.

We're trying to make their day a little brighter by letting them know that they are in the thoughts and prayers of those here at home. At your request, we'll send a package of toilettries such as sun screen, lip balm, vitamins, sun lotion and more to someone you are thinking of. We've asked our manufacturers and suppliers to donate the needed items. They've responded without hesitation and have already shipped many cases of products to our warehouse.

Our associates are volunteering their own time to put these packages together and mail them. It is an effort we are all proud to make.

Let us help you say "Take Care" to a loved one supporting our country.

Sincerely yours,

Leonard Genovese
Chairman and President

JUST FILL OUT THE MAILING LABEL BELOW OR PICK ONE UP AT YOUR LOCAL GENOVESE. LEAVE IT AT THE STORE OR MAIL IT TO THE MAIN OFFICE AT

Genovese sought out Persian Gulf soldiers via this ad.

Responding to a query about how this effort could further the chain's goodwill and build store visits, Higgins said: "That was certainly not the purpose. This was designed *not* to be a self-serving mission. If nothing else happens but these boxes go out and some people in Saudia Arabia smile, that's fine."

* * *

The six-store Drug Emporium franchise, owned by American Drug Center, Hampton Roads, Va., has coordinated a similar program. Drug Emporium has shipped over $14,000 worth of donated merchandise to U.S. military in the Persian Gulf.

Donors were: Murine, Vaseline Sun Care, Sunglass Products, Western Publishing, Dr. Scholl's, American Greetings, and Howell's Motor Freight, which donated the ground transportation to the embarkation point in Pennsylvania.

DRUG STORE NEWS
is published by
LEBHAR-FRIEDMAN INC.
425 Park Ave., New York, NY 10022
(212) 371-9400
Subscription Services:
(212) 697-2165 or (212) 697-2166
Cable Address: LEBHAFRIED
Panafax: (212) 838-9487

VP/Publisher JAY FORBES
Editor BRUCE BUCKLEY

Executive Editor Al Heller
Senior Desk Editor Paul W. Cockerham
Special Projects Editor Elizabeth Parks
Editor/Inside Pharmacy Harold Cohen, R.Ph.
Senior Editor David Vaczek
Associate Editor Susan Bell
Desk Editor Bernadette Casey
Editorial Assistant Fred Rueckher
Bureau Editors: James Frederick (Sr. Editor, Cleveland; (216) 642-3420), Elizabeth Richardson (Field Editor, Dallas; (214) 964-1778), Ken Rankin (Bureau Chief, Washington; (301) 774-3895), Deane Evans (Washington)

Art Director Bob Brokman
Graphic Artist Maryellen Seery

Associate Publisher/
National Adv. Manager JILL MANEE

REGIONAL SALES OFFICES
New York
Nat'l Accounts Manager Larry Krongold
N.Y. Area Manager Dan Bagan
N.Y. Area Manager John Kanlon
Boston 1 Gateway Center, Newton, MA 02158, (617) 527-6394
Regional Manager: James Malver
Office Manager: Angela Ftaras
Chicago 444 N. Michigan Ave., Chicago, IL 60611, (312) 644-8688
Area Manager: Maggie Kaeppel
Office Manager: Beverly Wendtland
Los Angeles 606 N. Larchmont Blvd., Los Angeles, CA 90004, (213) 464-8321
Office Manager: Maureen Jackson

Nat'l Director of Field Marketing & Circulation Services Jim Dickson
Circulation Director Ken Turtoro
Circulation List Manager Vicki White
Director of Manufacturing Stan Kaufman
Advertising Production Mgr.
Debbie Rothenberg
Business Manager Joel Seftr

Board of Advisers
Judie Doherty, McKesson Corp.
Bill Edwards A. L. Price
David Eisenberg Peoples Drug Stores Inc.
Don Groos Genovese Drug Stores Inc.
John Jennings Brooks Drug, Inc.
Frank Newman F & M Distributors
Ron Schiff Pay Less Drug Stores NW
David Schwartz Perry Drug Stores
Gary Wilber Drug Emporium
Ron Ziegler NACDS

Board of Pharmacy Advisers
Ken Anderson SuperRx Corp.
Clarence Archer Wal-Mart
Marty Bellitz Shoppers Drug Mart
Len DeMino NACDS
Paul DiGrazia Safeway Stores Inc.
Phillip R. Engle Bergen Brunswig Corp.
Robert King FoxMeyer Corp.
Howard Kramer K mart Corp.
Joseph Polastri McKesson Corp.
Saul Schneider K&B Inc.
Bob Shapiro Perry Drug Stores Inc.
Charles W. Trefrey NWDA
Michael Wildermuth Kroger Co.

Founder (1900-1981) Arnold D. Friedman

President J. Roger Friedman
Sr. VP/Group Publisher
James T. deGraffenreid
VP/Administration Harry A. Estes
VP/Publisher Fred Filer
VP/Publisher Jay Forbes
VP/Finance James Granato
VP/Circulation Martha Pettley
VP/Publisher John Rapuzzi
Director, Human Resources John Murro
Director, Corporate Development John O'Brien
Japan Diamond-Friedman Ltd. Chain Store Age Japan 1-4-2 Kasumigaseki, Chiyoda-ku Tokyo, Japan, 504-6750

The Audit Bureau · MPA · ABP

Publisher of Drug Store News, Accounting Today, Discount Store News, Nation's Restaurant News, National Home Center News, Chain Store Age Executive (with Shopping Center Age), Food Merchandising, Home Market Trends, Supermarket HQ Quarterly, and *APPAREL merchandising*. Affiliates: Business Guides Inc. (Directories); Lebhar-Friedman Books; Inside Retailing (Newsletter); Chain Store Age News, Japan; Largo Music Inc.

Subscriptions
Call (212) 697-2165 or (212) 697-2166.
Having a problem with your subscription? Send us full details, including the mailing label from the last copy you received, along with your telephone number. We'll do everything possible to solve the problem at once. Write to Circulation Fulfillment Director, Drug Store News, Box 3116, Grand Central Station, New York, NY 10164-0659.

Permissions
Materials in this publication may not be reproduced in any form without written permission. Requests for permission should be directed to Jay Forbes, publisher, Drug Store News, 425 Park Ave., New York, NY 10022.

TRENDS

Chain drug stationery story:

Neon a hot spot; basics bright

Several drug chains that mainly stuck to the basics reported good, if not spectacular, results this back-to-school season, with neon, as buyers had bet, providing an especially bright spot.

Heavily promoted commodity items were tremendous for K&B, said buyer Chris Michel. And while the chain held to a limited fashion selection, neons were hot throughout.

"We were generally pleased with back-to-school," Michel said, adding that "where we strayed from the basics much, sales were slower."

Although schools in K&B's markets generally open about Aug. 20, the chain started BTS advertising in July, rather than August, this year. The strategy worked in pulling customers in to pick up commodity school supplies before other school-related spending, for clothes, tuition and the like, depleted their disposable income, he maintained.

In contrast, Rite Aid's BTS season gathered steam later than usual this year, said buyer Mark Blandford, but sales ended up 12 percent-15 percent higher than last season.

It was a good year for licenses at the chain, with New Kids on the Block and Teenage Mutant Ninja Turtles the standouts, and The Simpsons also strong. Thanks partly to the strong licenses, Rite Aid had its best year ever with lunchboxes.

Lisa Frank fashion portfolios continued to produce strong sales, and Pentech fabric-covered stick pens were popular with kids into the friendship-bracelet look.

Changed planogram

Rite Aid redid its stationery department planogram this year, expanding mainly in the home office supplies area, but also adding more college/narrow-rule items, another SKU of scientific calculators, and more microperforated-edge notebooks, in response to student needs. Some older, patterned fashion goods and book covers were culled. In addition, Trapper Keeper and other specialty notebooks were thinned, Blandford explained, because "we didn't think we needed as broad an offering and couldn't make much money on them. We found a trend of having a residue of that in the past."

Rite Aid doesn't promote BTS as heavily as some chains, instead building up and concentrating on basic BTS merchandise, where the bulk of its sales are, augmented by some fashion and promotional goods. But the chain stepped up in-store signs and programs and sharpened pricing of in-and-out merchandise, which reduced carryovers and spurred incremental sales.

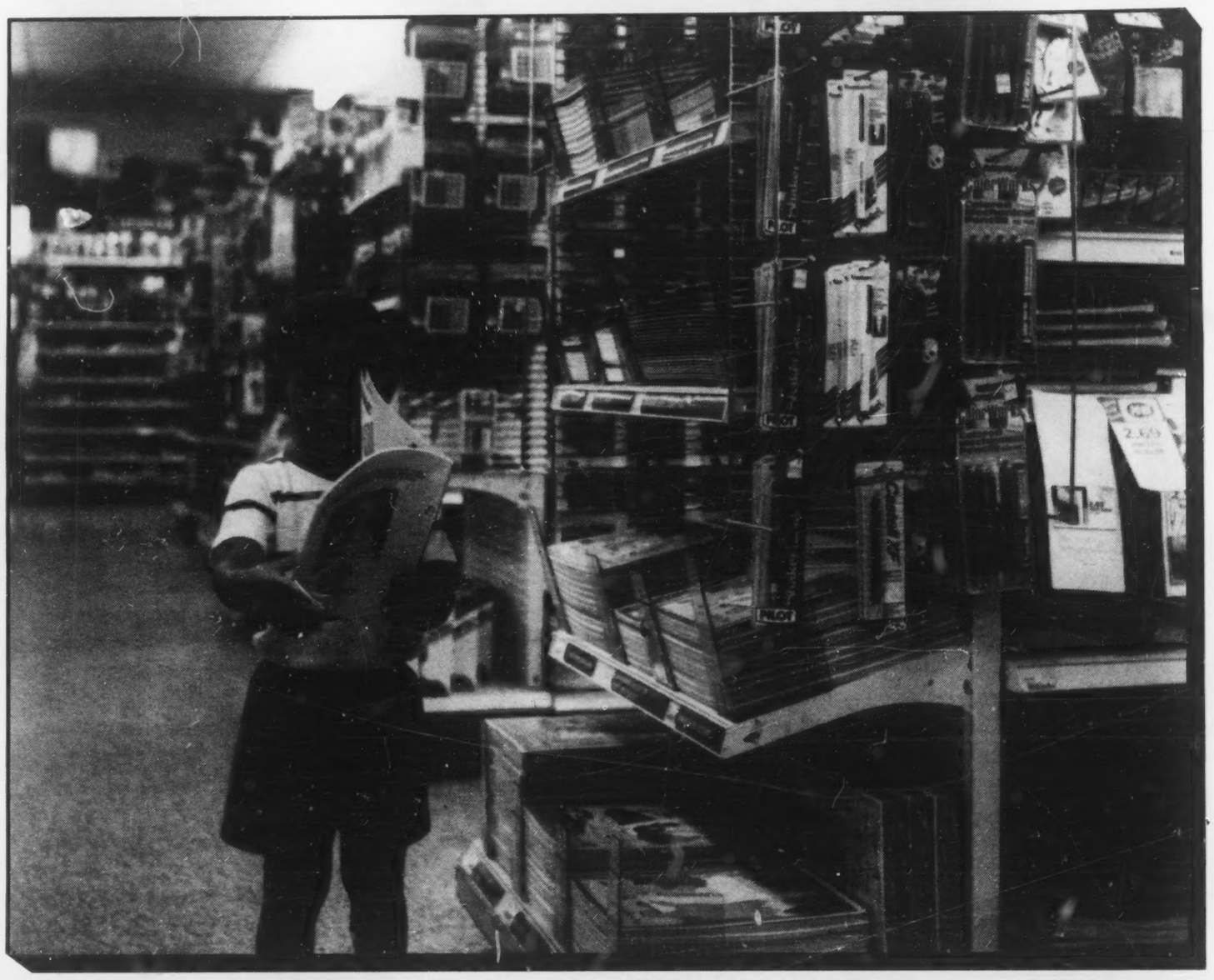
Genovese was "really satisfied" with its BTS season, said buyer Cynthia Stahley-Zuniga. Anything neon was hot, especially Mead's neon marbled composition books.

Drug Emporium's BTS sales increased in the double digits, reported director of merchandising Bill Brock, who said the chain bought more and sold more. "We had good cleanup sales."

The chain did more fashion and color business, for plus and profitable sales, while filler paper and some other commodities were down.

Reliable Drugs, itself a relatively new kid on the block, did a major revamp of its stationery-home office department. Its aim was achieving a consistent merchandising look, rather than the rainbow, price/item approach inherited from Peoples, from which Reliable acquired its first 100-plus stores last year.

Reliable went from dealing with some 58 vendors in the department to about 12, said Tony Montini, senior vp-purchasing and merchandising, with Stuart Hall and Empire providing most of the paper goods and writing instruments/pegged items, respectively. The consolidation not only creates continuity and packaging consistency, but improves Reliable's ability to meet vendor minimums, Montini said.



A young customer in New Orleans chooses a Sesame Street book from K&B's endcap display of children's art and activity supplies.

Children's art, activities products deliver a payoff when grouped

Some drug chains are eyeing the demographic "bump" in children age 4–7, and the numbers of U.S. women who work and have preschool offspring, and are beginning to create children's art and activities niches in their stores.

Not that drug stores haven't offered drawing pads, crayons and coloring books for years. But a mother might have to roam two or three aisles to ferret them out, seldom finding them in a unified presentation.

Stuart Hall's Sesame Street line, which has been on the market for years and is in such chains as Thrifty, Brooks, Pay Less, Reliable and CVS, has gone over to all photography in its packaging designs and has included more recreational and learning activities, as well as adding stiff backing to writing and drawing pads. The Sesame Street characters are so familiar to parents and kids, said James R. Schmidt II, Stuart Hall vp-marketing, that the company does not do any consumer advertising: "It seems to sell itself." He added that the scribble pad is the line's No. 1 item.

In June, Mead rolled out a 15-item children's "creative fun and learning" line called Safari Party, which includes an activity kit, expandable carryall and construction paper assortments as well as various writing and drawing pads. Mead has backed the line with a national cable television advertising campaign and cross-couponing program and plans to roll out 20 new items in January 1991.

Several chains, such as K&B, Genovese, Drug Emporium, Peoples and Phar-Mor, took in Safari Party, with mixed response so far. Some chains, including Peoples, said it was too

Continued on page 33

Ad space allocations: Percentage of all stationery ads by class of trade

(July and Aug. 1989 vs. 1990)

	Drug			Food			Mass merchandiser		
	1989	1990	% chg	1989	1990	% chg	1989	1990	% chg
July	2.5%	3.1%	+24%	1.0%	2.1%	+110%	7.2%	2.7%	−63%
August	16.8	13.8	−18	15.7	9.8	− 38	16.3	11.5	−29

Source: Ad Activity Marketing Services Inc.

August 1990: Percentage of stationery ad space in drug stores, by category

Pens/pencils	23.1%
Notebooks	15.1
Binders/organizers	8.9
Highlighters/markers	7.0
Portfolios	4.8

Source: Ad Activity Marketing Services Inc.

August 1990: Percentage of stationery ad space in drug stores

(Top 5 manufacturers)

1. Mead	15.0%
2. Stuart Hall	7.2
3. BIC	5.9
4. Crayola	5.3
5. Paper Mate	4.8

Source: Ad Activity Marketing Services Inc.

FINANCIAL

Perry cuts staff, braces for loss

Continued from page 3

Perry about $5 million in fiscal 1991, according to the company.

Along the same lines, Perry has also announced plans to sell the wholesale medical and surgical supply component of its Health Care Division. The supply house has annual revenues of about $7 million, but was described by Perry as unprofitable.

Perry has also elected to change its accounting method for inventories, eliminating averaging and estimation of inventory value in favor of an item-cost method of valuation. The change will help Perry determine margins on sales more accurately, according to Falbaum, but will result in a one-time non-operating charge for the fiscal year ended Oct. 31.

Perry's plans to cut costs were revealed as it projected an operating loss for the fourth quarter, surprising many retail analysts who have tracked the chain's turnaround and upward earnings trends over the past two years. Perry blamed a softened economy and below-plan sales for the projected loss.

"Sales for the fourth quarter. . . were negatively impacted by the deterioration of the economy and uncertainty over the Persian Gulf crisis which has reduced consumer spending," the company announced. "However, Perry expects to report an operating profit for the 1990 fiscal year."

Said Linda Baker, a retail analyst with Prudential-Bache, "We knew sales had been somewhat soft in September and had picked up at the end of October with Halloween and seasonal, but the magnitude of the earnings impact was a surprise. However, they've initiated a very stringent cost-containment program, and I think they're doing the right things longer-term."

Perry chairman and ceo Jack Robinson called Perry's cost-cutting actions "prudent and responsible.

"They, along with continued improvement in the prescription business, the additional sales generated by new stores opened or acquired during the past year, and Perry's divestitures of unproductive business units, provide a strong foundation for significantly improved operating results in fiscal 1991," Robinson said.

Net down, per-share earnings up at McK

SAN FRANCISCO — McKesson announced net income declined 6 percent for the second quarter ended Sept. 30, to $24.9 million, from $26.4 million in the year-earlier period.

However, with fewer shares outstanding, fully diluted earnings per share rose 2 percent, to 55 cents. Fully diluted shares in the quarter fell to 44.4 million from 47.4 million, reflecting the repurchase of about 3.1 million shares during the last 12 months. Net interest expense in the quarter rose to $12.3 million from $9.3 million as a result of the cost of share repurchase.

Second-quarter revenues were up 9 percent, to $2.03 billion, from $1.86 billion.

Quarterly results continued to be affected by a decline in the profitability of McKesson's Armor All Products subsidiary, offset by a "strong recovery" in the PCS prescription claims processing business, said Alan Seelenfreund, chairman and ceo.

Imasco reports drop in third-qtr. earnings

MONTRÉAL — Imasco reported a 5-percent decrease in net earnings for the nine months and a 25-percent drop in net earnings for the third quarter ended Sept. 30.

For the nine months, net earnings were $236.1 million (Canadian), down from $247.9 million in the 1989 period. For the third quarter, net earnings were $77.5 million, compared with $103.5 million for the same period a year ago.

Net earnings include a contribution from Peoples Drug Stores, classified as discontinued operations. Earnings from continuing operations were $232.4 million for the nine months, a 6 percent decrease from last year's $246.7 million, and $77.3 million for the third quarter, down from $103.4 million.

Purdy Crawford, Imasco chairman, president and ceo, said of the results, "Hardee's Food Systems and Canada Trust are feeling effects of the weak economy, while Imperial Tobacco and Shoppers Drug Mart have continued to register strong earnings gains."

Crawford said Imperial's and Shoppers' "excellent results" should be sustained.

Drug Store News (ISSN 0191-7587) is published biweekly—every other Monday, monthly in August and December—by Lebhar-Friedman Inc., 425 Park Ave., New York, N. Y. 10022. Subscription rates: in-field subscribers, retailers and wholesalers, one year (22 issues) $19.50; two years $35. Manufacturers and their representatives $45; schools, libraries and all other out-of-field subscribers $95. Foreign subscriptions: airmail only $125 per year.

Second-class postage paid at New York, N.Y. and additional mailing offices. Copyright © 1990 by Lebhar-Friedman Inc. All rights reserved. POSTMASTER: Please send address changes to Subscription Dept., Drug Store News, Box 3116, Grand Central Station, New York, NY 10164-0659. For change of address six weeks notice to Subscription Dept., Box 3116, Grand Central Station, New York, NY 10164-0659 is requested. Give old and new address and zip code. If possible, enclose address portion from cover on previous issue.

Vol. 12, No. 21 Nov. 19, 1990

MARKET DIARY:

Largest Dollar Gainer	Durr-Fillauer	$ 2.50	Advances	1
Largest Dollar Loser	Lilly Eli Co.	$ – 6.13	Declines	34
Largest Percentage Gainer	Big B	34.88%	Unchanged	2
Largest Percentage Loser	Bolar Pharmaceutical	– 32.35%	New highs	1
			New lows	9

	Close 10/23/90	Close 11/6/90	Net Change	Percent Change
Drug Store News Index	2842.10	2812.99	– 29.11	– 1.02
Dow Jones Industrial Average	2494.06	2485.15	– 8.91	– 0.36
Standard & Poor's 500-Stock Index	312.36	311.62	– 0.74	– 0.24
N.Y.S.E. Composite	170.50	170.21	– 0.29	– 0.17
Value Line Index	186.24	184.15	– 2.09	– 1.12

Source: Nordby International Inc., Boulder, Colo.

DRUG STORE NEWS INDEX

Exch	Company	Ticker Symbol	Closing Price 10/23/90	Closing Price 11/6/90	Net Change In Period	Percent Change In Period	P/E Ratio	Annual Dividend Rate	Annual Dividend Yield	Annual High	Annual Low
Chain store transactions											
OTC	Accuhealth Inc.	ACCU	5.13	5.00	– 0.13	– 2.44	– 250	0.00	0.00	7.56	2.88
OTC	Arbor Drugs	ARBR	14.75	15.50	0.75	5.08	13	0.16	1.03	23.25	13.25
OTC	Big B (L)	BIGB	5.38	7.25	1.88	34.88	– 20	0.16	2.21	13.75	4.75
OTC	Drug Emporium	DEMP	8.13	7.63	– 0.50	– 6.15	12	0.12	1.57	11.00	6.25
NYS	Fay's Inc.	FAY	7.25	7.38	0.13	1.72	11	0.20	2.71	12.00	7.25
ASE	Genovese Drug	GDX.A	6.00	6.00	0.00	0.00	13	0.24	4.00	10.88	5.63
NYS	Longs Drug Stores	LDG	37.00	36.00	– 1.00	– 2.70	12	1.04	2.89	48.50	33.25
OTC	Medicine Shoppe	MSII	18.50	17.50	– 1.00	– 5.41	17	0.24	1.37	26.75	17.00
NYS	Perry Drug (L)	PDS	6.25	6.38	0.13	2.00	11	0.00	0.00	9.88	6.13
NYS	Rite Aid Corp.	RAD	31.88	33.63	1.75	5.49	16	0.88	2.62	39.00	29.50
NYS	Walgreen Co.	WAG	47.25	48.63	1.38	2.91	17	0.92	1.89	53.25	39.88
Wholesaler's transactions											
ASE	Bergen Brunswig	BBC	25.63	24.75	– 0.88	– 3.41	14	0.40	1.62	29.63	20.50
OTC	Bindley Western Ind. (L)	BIND	11.75	10.50	– 1.25	– 10.64	15	0.04	0.38	14.25	8.63
OTC	Cardinal Distribution (H)	CDIC	24.25	24.00	– 0.25	– 1.03	21	0.08	0.33	25.00	15.88
OTC	Durr-Fillauer	DUFM	23.00	25.50	2.50	10.87	16	0.28	1.10	27.00	19.50
ASE	Ketchum	KCH	1.50	1.75	0.25	16.67	– 1	0.00	0.00	5.13	1.50
NYS	McKesson Corp. (L)	MCK	28.50	28.13	– 0.38	– 1.32	13	1.60	5.69	38.38	26.88
ASE	Moore Medical	MMD	3.63	4.00	0.38	10.34	– 5	0.00	0.00	10.25	3.50
NYS	Owens & Minor	OMI	13.25	12.50	– 0.75	– 5.66	17	0.24	1.92	14.63	10.63
Manufacturer's transactions											
NYS	Abbott Labs	ABT	43.63	40.63	– 3.00	– 6.88	19	0.84	2.07	45.63	31.25
NYS	American Home Products	AHP	48.88	49.00	0.13	0.26	13	2.12	4.33	55.13	43.00
NYS	Baxter International	BAX	26.38	26.25	– 0.13	– 0.47	– 91	0.64	2.44	27.50	20.50
OTC	Block Drugs Co.	BLOCA	31.50	33.75	2.25	7.14	12	0.80	2.37	38.00	30.50
ASE	Bolar Pharmaceutical (L)	BLR	4.25	2.88	– 1.38	– 32.35	– 17	0.04	1.39	20.88	2.88
NYS	Bristol-Myers Squibb	BMY	62.63	60.75	– 1.88	– 2.99	33	2.12	3.49	65.88	50.50
NYS	Carter-Wallace	CAR	49.50	47.00	– 2.50	– 5.05	14	0.92	1.96	60.50	44.88
ASE	Columbia Labs	COB	4.75	5.75	1.00	21.05	– 4	0.00	0.00	17.88	3.63
ASE	Forest Labs	FRX	43.88	45.00	1.13	2.56	27	0.00	0.00	48.38	33.63
ASE	Halsey Drug	HDG	2.81	2.50	– 0.31	– 11.13	83	0.00	0.00	6.94	2.13
NYS	ICN Pharmaceutical	ICN	2.88	2.63	– 0.25	– 8.70	0	0.00	0.00	5.75	2.50
ASE	Lee Pharmaceutical	LPH	1.38	1.25	– 0.13	– 9.09	– 4	0.00	0.00	3.00	1.25
ASE	P. Leiner Nutrition (L)	PLI	7.13	7.38	0.25	3.51	9	0.00	0.00	13.00	6.75
NYS	Eli Lilly Co.	LLY	75.00	68.88	– 6.13	– 8.17	18	1.64	2.38	90.38	58.75
NYS	Marion Labs	MKC	31.38	32.00	0.63	1.99	22	0.80	2.50	36.00	21.00
NYS	Merck Co.	MRK	81.38	79.25	– 2.13	– 2.61	18	2.24	2.83	91.13	67.00
NYS	Mylan Labs	MYL	18.88	16.75	– 2.13	– 11.26	18	0.20	1.19	25.38	13.75
NYS	Par Pharmaceutical	PRX	5.00	4.13	– 0.88	– 17.50	– 4	0.00	0.00	8.25	3.38
NYS	Pfizer Inc.	PFE	77.38	75.25	– 2.13	– 2.75	17	2.40	3.19	79.25	54.50
NYS	Rhone-Poulenc Rorer	RPR	65.00	65.88	0.88	1.35	– 50	0.84	1.28	78.25	42.25
NYS	Schering Plough	SGP	48.38	45.13	– 3.25	– 6.72	19	1.12	2.48	50.75	37.00
NYS	Syntex Corp.	SYN	57.25	55.63	– 1.63	– 2.84	18	1.60	2.88	63.75	45.25
OTC	Taro-Vit Industries	TAROF	2.88	2.50	– 0.38	– 13.04	– 36	0.00	0.00	2.88	0.88
NYS	Upjohn Co.	UPJ	36.88	36.25	– 0.63	– 1.69	19	1.00	2.76	44.63	33.00
NYS	Warner-Lambert	WLA	66.25	64.00	– 2.25	– 3.40	18	1.52	2.38	70.13	49.63
OTC	Zenith Labs	ZENL	6.50	6.50	0.00	0.00	0	0.00	0.00	14.00	3.50
Other retailer transactions											
NYS	Albertson's	ABS	31.50	32.88	1.38	4.37	21	0.48	1.46	37.63	24.38
NYS	American Stores (L)	ASC	46.00	44.88	– 1.13	– 2.45	11	1.12	2.50	71.50	42.63
NYS	Giant Food	GFS.A	24.50	23.88	– 0.63	– 2.55	13	0.60	2.51	29.88	21.13
NYS	Great Atlantic&Pacific Tea	GAP	42.75	43.00	0.25	0.58	11	0.80	1.86	65.38	41.38
NYS	K mart	KM	25.25	26.38	1.13	4.46	16	1.72	6.52	37.25	23.38
NYS	Kroger	KR	12.38	12.25	– 0.13	– 1.01	47	0.00	0.00	17.00	10.63
NYS	Melville Corp.	MES	36.38	36.88	0.50	1.37	10	1.40	3.80	57.75	32.75
OTC	Fred Meyer (L)	MEYR	11.00	11.50	0.50	4.55	– 55	0.00	0.00	19.00	10.00
NYS	Penney, JC	JCP	42.88	42.13	– 0.75	– 1.75	7	2.64	6.27	75.63	37.38
NYS	Safeway (L)	SWY	11.50	11.25	– 0.25	– 2.17	28	0.00	0.00	16.88	10.25
NYS	Smith's Food & Drug	SFD	27.38	26.63	– 0.75	– 2.74	21	0.28	1.05	34.50	21.50
NYS	Wal-Mart	WMT	28.75	27.75	– 1.00	– 3.48	26	0.12	0.43	36.75	20.25

Key: (H) = New high in period. (L) = New low in period. (d) = Deficit. NYS = New York. ASE = American. OTC = Over the counter. (s) = Reflects stock split.
Source: Nordby International, Inc., Boulder, Colorado